

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6774

BILL NUMBER: SB 367

NOTE PREPARED: Feb 20, 2013

BILL AMENDED: Feb 19, 2013

SUBJECT: Conservation Easements.

FIRST AUTHOR: Sen. Glick

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill amends the definition of "holder", for purposes of the conservation easement law, to include an Indiana nonprofit corporation that is granted a conservation easement.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The impact on assessed valuation for property tax purposes of this bill is indeterminate. The bill would expand the definition of a body that may hold a conservation easement to include any nonprofit corporation. Currently, the law specifies that holders of conservation easements must be a governmental body, or charitable corporation, association, or trust that has the purpose of retaining or protecting the natural, cultural, scenic, or open space values of real property. Landowners must still choose to make their real property subject to a conservation easement - expanding the number of eligible conservation easement holders will not affect the amount of property subject to an easement.

The current statute also provides that real property subject to a conservation easement shall be assessed and taxed on a basis that reflects the easement. The Department of Local Government Finance (DLGF) has no data to indicate whether any property currently subject to a conservation easement is assessed at a lower value.

Background: A conservation easement is a transfer of certain property rights between a landowner and a qualified government agency or charitable organization, the effect of which is to restrict land use for the purposes of conservation. A conservation easement runs with the land and may create legal obligations that would not have been recognized as enforceable under common law.

State Agencies Affected:

Local Agencies Affected: Local government units.

Information Sources: DLGF; Sycamore Land Trust, *Analysis of Indiana Law and Federal Law Applying to Conservation Easements*, Updated March 2009.

www.in.gov/judiciary/citc/files/slt-conservation.pdf Accessed January 3, 2013.

Fiscal Analyst: Kathy Norris, 317-234-1360.